

Company Registration No. 00207104 (England and Wales)

RENOLIT Cramlington Limited
Annual Report And Financial Statements
For The Year Ended 31 December 2020

RENOLIT CRAMLINGTON LIMITED

COMPANY INFORMATION

Directors	Mr D S Hall Mr M T Kundel Mr S M Wilson Mr M K Jaenicke
Secretary	Mr S M Wilson
Company number	00207104
Registered office	Station Road Cramlington Northumberland NE23 8AQ
Auditor	Garbutt & Elliott Audit Limited Triune Court Monks Cross Drive York YO32 9GZ

RENOLIT CRAMLINGTON LIMITED

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RENOLIT CRAMLINGTON LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

2020 was a year heavily impacted by the Coronavirus pandemic. The announcement of the first lockdown in March 2020 amid often conflicting and confusing public messaging led to the rapid collapse of our domestic market and escalating operational difficulties. Faced with the vast majority of our UK customer base having ceased production, growing public health concerns and major question marks over the future, the decision was made to suspend production at the Cramlington site and furlough all but a small core of employees. The factory was closed on Friday 3 April and did not subsequently reopen until Monday 4 May.

With the implementation of COVID-Secure guidelines and a commitment from all to work together to see us through we began our 'new normal'. The pick up in demand was initially slow as customers in turn re-started their operations, however we were soon unexpectedly confronted by sustained and exceptionally high levels of demand. Whilst this was first fuelled by the catch-up required from the lockdown period, a cocooning effect on demand later became apparent as those still with disposable income sought to improve their home environment. Customer service levels fell along with stock levels, a situation made worse by major downtime on Calender 4 during August and early September. With excellent support from our Worms parent factory the downstream Cramlington machines were kept largely supplied and the impact of the Calender 4 outage was minimised. As we progressed through the Autumn and into the Winter, raw material availability became a major concern. Again, the benefits of the wider RENOLIT group approach were apparent, providing more leverage to successfully secure materials as well as enabling flexibility of supply across sites. Going forward into 2021, production capacity has now been expanded with an additional emboss shift already in place and a further due to be added in April. With these plans in place we now expect to see a recovery in our stock and customer service position.

Towards the end of the year, final preparations were also made for the end of the Brexit transition period. Whilst we have avoided a worst case scenario involving tariffs, it is clear that the final deal has introduced red tape, delays, complexity and cost. We wait to see how this will impact our business with the EU and related markets over the medium to long

Principal risks and uncertainties

The Company is subject to the usual competitive risks in respect of customer and supplier behaviour and the resultant impact on sales pricing and volumes, as well as the availability and cost of raw materials. These risks are continually reviewed by local and group management and action taken as required. We enter 2021 during a period when supply chains are under particular strain due to a combination of the pandemic, Brexit and structural issues with raw material prices now increasing rapidly as a result. We will continue to work with suppliers and across the RENOLIT Group to minimise disruption to our customers.

The risk of events which could have a significant impact on our ability to operate and service our customers are assessed systematically throughout the year. Risk reduction actions as well as business continuity options are discussed and actioned with the management team. Risks are further reduced by alternative machine routes available at Cramlington in the event of a major failure and also the back up production facilities at other RENOLIT locations across Europe.

The largest uncertainty and risk that we currently face is centred on the pandemic and how its future development could impact our operations. We manage this risk by continually monitoring our key markets, re-forecasting demand and implications for our production capacity on a monthly basis. Taking a similar approach we also constantly monitor the consequences of our exit from the EU Customs Territory and potential impact on future demand from those key markets.

RENOLIT CRAMLINGTON LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Key performance indicators

Most disappointingly we recorded 3 reportable accidents in 2020, one more than the previous year, and after having recorded more than 300 days between the first and second incidents. Focus remains on this area as we strive to continuously improve our management of risks and behaviours.

Given the extreme events of 2020 it is pleasing to report that by year end the business had recovered strongly to record total sales of £75.2m, an increase of £3.0m on the previous year, with both the Exterior Solutions and Interior Surfaces SMU's demonstrating year on year improvement. This is testimony to the effort and commitment of employees throughout the business.

Despite a reduction in internal waste levels as a result of ongoing improvement activities, rapidly increasing raw material prices towards the end of the year (after earlier lows) coupled with the need to buy in semi-finished material meant that gross profit for the year fell to 24.2% (2019: 25.0%). Cost saving initiatives already triggered at the start of 2020 combined with pandemic driven savings, in particular due to the restrictions on travel and changes to business practices, helped produce an operating profit of £9.8m (2019: £6.8m) representing 13.1% of sales (2019: 9.4%). Working capital efficiency was 29.9% of sales (2019: 29.0%) at the year end whilst ROCE grew to 34.2% (2019: 23.3%).

Other information and explanations

With the exception of foreign exchange, the company does not actively use financial instruments as part of its financial risk management. The Company is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through appropriate credit control procedures. The nature of these financial instruments means that the company is not subject to a price risk or liquidity risk other than as set out below. The company undertakes significant sales and purchases in foreign currencies, especially the Euro and US\$, which exposes it to foreign exchange rate risk. This risk is managed through the use of Euro and US\$ current accounts although company sales in Euros are consistently in excess of purchases. Where appropriate, forward exchange contracts are also considered with a view to further managing exchange risk.

As environmental awareness and requirements increase over time, it is also pleasing to report that we continue to be certified to the ISO14001 and ISO50001 standards and along with the OHSAS 18001 and ISO 9001 ensure we have appropriate systems in place to control environmental aspects, health and safety and quality to reduce impacts and ensure legal compliance. Migration to the new ISO45001 is planned for March 2021.

Directors' duties and responsibilities

Although at times hindered by the pandemic, 2020 saw the start of the ONE RENOLIT 2025 rollout across the group and implementation of the new Market Unit structure. Key Cramlington personnel are involved in the decision making process including representation at Sprint Meetings and relevant Strategic Market Unit Board meetings. This process helps coordinate activity across the relevant sites as well as monitor and control progress towards 2025 target states. Further roll out of more site specific activities and communication is planned for 2021 as and when relaxation of the current pandemic restrictions will sensibly allow.

The next Employee Engagement Survey is planned for Q2 2021 and new activities are planned to improve community engagement. We achieved the Better Health At Work Gold Award during 2020, in part recognising the continuing efforts made to safeguard against the pandemic, and we continue to operate successful employee assistance and mental health first aid programmes.

The Company relies on good working relationships with customers and suppliers and relies on these to ensure success. As a group we have a reputation for reliability, trustworthiness, open mindedness and cooperation with customers and suppliers alike. These qualities are highly valued by the Company and our partners.

Through the above mentioned accreditations we are able to demonstrate robust systems and our commitment to continuously review and improve the impact of the Company's operations on the environment. The accreditations also ensure we keep our reputation for high standards of business conduct in terms of Health and Safety and Quality.

RENOLIT CRAMLINGTON LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

Mr D S Hall
Director
10 February 2021

RENOLIT CRAMLINGTON LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The main activity of the company during the year was the manufacture and sale of flexible decorative surface materials. The main product area continues to be decorative laminates made primarily from PVC films. End uses for these products include kitchen and bedroom cabinet doors, window frames, mobile home and caravan interiors. The company also distributes PVC waterproofing membranes and products, principally for the single ply roofing market.

Results and dividends

The results for the year are set out on page 12.

Dividends totalling £8,000,000 (2019: £3,500,000) were paid to the immediate parent company, RENOLIT (U.K.) Limited.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D S Hall
Mr M T Kundel
Mr S M Wilson
Mr M K Jaenicke

Supplier payment policy

The company's current policy concerning the payment of trade payables is to:

- Settle the terms of payment with suppliers when agreeing the terms of each transaction;
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- Pay in accordance with the company's contractual and other legal obligations.

Research and development

The company continues to investigate new production methods and materials to both improve the quality and performance of existing products and provide opportunities for the introduction of new products.

Disabled persons

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The company's policy is to consult and discuss with employees, through unions and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through presentations, monthly briefs and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

RENOLIT CRAMLINGTON LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Future developments

After a year that involved the Coronavirus pandemic and Brexit, the company is still keeping a watchful eye on developments in both of these key areas. During the year the impact from the pandemic, Brexit uncertainty and high level of demand have led to low stocks and increased disruption.

Over the medium to long term the company will continue to grow the business by remaining focussed on delivering a high quality product with excellent service at competitive prices. The new trading environment will continue to be closely monitored in conjunction and with support of the RENOLIT Group Strategic Market Units.

Auditor

The auditor, Garbutt & Elliott Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

We have considered the recommendations of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon reporting (SECR) when preparing this report.

This is the first year the company has been required to provide information on emissions relating to the use of electricity, gas and transport in its operations and therefore, no comparatives are disclosed.

Quantification and reporting methodology

Total electricity and gas usage has been extracted from supplier invoices and adjustment made where periods were not coterminous with the reporting period.

The total kWh has been multiplied by 0.23314kg (electric) and 0.18455kg (gas) of CO₂ to derive the total CO₂e emissions for the Company as a whole. The multipliers have been extracted from the UK Government GHG Conversion Factors for Company Reporting 2020.

The fuel for transport usage has been derived from litres purchased converted to kWh, the total volume has been multiplied by 0.25278 for diesel and 0.24120 for petrol to derive the total CO₂e emissions for the Company as a whole. The multipliers have been extracted from the Carbon Trust Energy and Conversion 2020 update.

Intensity measurement

Energy consumption and greenhouse gas emissions for the year ended 2020:

	Annualised CO ₂ e	
	kWh	Kg
Electric	11,797,964	2,750,577
Gas	18,228,866	3,364,137
Fuel for transport	<u>390,003</u>	<u>97,739</u>
	30,416,833	6,212,453

The Intensity Ratio is 920:1, based on total CO₂e per output tonne.

Measures taken to improve energy efficiency

The company is committed to reducing its impact on the environment and as new equipment is required, old equipment is replaced with energy efficient alternatives where possible.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

RENOLIT CRAMLINGTON LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

On behalf of the board

Mr D S Hall
Director

10 February 2021

RENOLIT CRAMLINGTON LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RENOLIT CRAMLINGTON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RENOLIT CRAMLINGTON LIMITED

Opinion

We have audited the financial statements of RENOLIT Cramlington Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

RENOLIT CRAMLINGTON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RENOLIT CRAMLINGTON LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RENOLIT CRAMLINGTON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RENOLIT CRAMLINGTON LIMITED

Extent to which the audit was capable of identifying irregularities, including fraud

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the company's regulatory and legal correspondence. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising employment, environmental and health and safety legislation and, in the current climate, covid regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the company to commit fraud. Our risk assessment procedures included: enquiry of directors to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- revenue recognition and in particular the risk that revenue is recorded in the wrong period; and
- subjective accounting estimates

both due to a desire to present stronger results and enable management to benefit from enhanced incentives. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation.
- assessing significant accounting estimates for bias.
- testing the timing and recognition of income and, in particular, that it was appropriately recognised or deferred.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

RENOLIT CRAMLINGTON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RENOLIT CRAMLINGTON LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Alan Sidebottom (Senior Statutory Auditor)
For and on behalf of Garbutt & Elliott Audit Limited

10 February 2021

Chartered Accountants
Statutory Auditor

Triune Court
Monks Cross Drive
York
YO32 9GZ

RENOLIT CRAMLINGTON LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Revenue	3	75,165	72,157
Cost of sales		(56,975)	(54,137)
Gross profit		18,190	18,020
Distribution costs		(1,447)	(1,369)
Administrative expenses		(8,517)	(9,885)
Other operating income		1,623	2
Operating profit	4	9,849	6,768
Investment income	7	7	12
Finance costs	8	(14)	(30)
Profit before taxation		9,842	6,750
Tax on profit	9	(1,722)	(1,290)
Profit and total comprehensive income for the financial year		8,120	5,460

The income statement has been prepared on the basis that all operations are continuing operations.

RENOLIT CRAMLINGTON LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Non-current assets					
Intangible assets	11		583		844
Property, plant and equipment	12		5,804		7,275
			<u>6,387</u>		<u>8,119</u>
Current assets					
Inventories	13	9,555		10,392	
Trade and other receivables	14	15,175		11,897	
Cash at bank and in hand		7,552		5,130	
		<u>32,282</u>		<u>27,419</u>	
Current liabilities	15	<u>(9,830)</u>		<u>(6,513)</u>	
Net current assets			<u>22,452</u>		<u>20,906</u>
Total assets less current liabilities			<u>28,839</u>		<u>29,025</u>
Non-current liabilities	16		-		(223)
Provisions for liabilities	17		<u>(1,139)</u>		<u>(1,222)</u>
Net assets			<u><u>27,700</u></u>		<u><u>27,580</u></u>
Equity					
Called up share capital	20		10,000		10,000
Share premium account			514		514
Retained earnings			<u>17,186</u>		<u>17,066</u>
Total equity			<u><u>27,700</u></u>		<u><u>27,580</u></u>

The financial statements were approved by the board of directors and authorised for issue on 9 February 2021 and are signed on its behalf by:

Mr S M Wilson
Director

Company Registration No. 00207104

RENOLIT CRAMLINGTON LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

		Share capital	Share premium account	Retained earnings	Total
	Notes	£'000	£'000	£'000	£'000
Balance at 1 January 2019		10,000	514	15,106	25,620
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	5,460	5,460
Dividends	10	-	-	(3,500)	(3,500)
Balance at 31 December 2019		10,000	514	17,066	27,580
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	8,120	8,120
Dividends	10	-	-	(8,000)	(8,000)
Balance at 31 December 2020		10,000	514	17,186	27,700

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

RENOLIT Cramlington Limited is a private company limited by shares incorporated in England and Wales. The registered office is Station Road, Cramlington, Northumberland, NE23 8AQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

On the grounds that the company's results are consolidated into its ultimate parent, as noted below, the company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a statement of cashflows as a primary note to the financial statements.

The company has also taken advantage of the exemptions conferred by section 33.1A of FRS 102 allowing it to not disclose transactions and balances within its group, on the grounds that those entities are related by virtue of having the same control as defined in 33.1A(b).

The immediate parent company is RENOLIT (U.K.) Ltd.

The ultimate parent company and controlling party is JM Industriebeteiligungen GmbH & Co. KGaA, a company incorporated in Germany, which prepares group financial statements that can be obtained from JM Industriebeteiligungen, Horchheimer Strasse 50, 67547 Worms, Germany.

1.2 Going concern

The directors have considered all factors, including in the wider economy, as part of their assessment of going concern. Although the current economic climate creates both cashflow and profitability risks for the company, the company continues to trade profitably and is cash generative. Sensitised budgets and cashflows have been prepared using assumptions for customer demand and supply chain costs as well as expectations for legal and regulatory environmental impacts. These budgets and cashflows indicate continuing profitability and cash generation, consequently the directors believe on balance that they have sufficient resources to enable trading to continue for a period of at least one year from the date of approval of the financial statements, on the basis of information currently available to them. Accordingly, these financial statements have been prepared on the going concern basis.

1.3 Revenue

Turnover represents revenue from sales of products, after deduction of Value Added Tax and is recognised on dispatch.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Royalty income is recognised on an accruals basis and included within other operating income.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3 to 10 years straight line
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1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	40 years straight line
Plant and machinery	3 to 10 years straight line
Fixtures, fittings and equipment	3 to 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

No depreciation is provided on land and assets under construction.

1.7 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The costs of long-term employee benefits are recognised as a liability and an expense and recognised over the period to which they relate.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions denominated in foreign currency are translated at the rate of exchange ruling at the start of the month the transaction occurred. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. Exchange differences arising on retranslation are included in the profit and loss account in the year in which they occur.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Inventories

Inventories are valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete inventories. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

Inventory overhead cost absorption

The company converts raw materials to finished goods. Inventory values include any costs such as labour and overheads attributable to generating finished goods, as management believe this is the most suitable costing method to take into account the matching concept of accounting.

Depreciation of tangible assets

Depreciation policies have been set according to management's experience and judgement of the useful lives of the assets in each category, something which is reviewed annually.

The company incurs expenditure on creating tangible fixed assets for use in the primary trade. The cost is determined by reference to the direct attributable costs which bring the fixed asset to working condition for its intended use, with costs being incurred over several months. Management believe it is possible to segregate these costs into identifiable projects, and as such no depreciation is charged on that project until it is bought into use. This expenditure is therefore capitalised as a fixed asset and depreciated in line with the relevant depreciation policy.

Warranty provision

Warranty provisions are calculated as a percentage of the average annual sales figures, based upon group wide historic warranty claims data, and included as an expense within sales.

3 Revenue

An analysis of the company's revenue is as follows:

	2020	2019
	£'000	£'000
Revenue analysed by class of business		
Sale of goods	75,166	72,157

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Revenue	(Continued)	
	2020	2019
	£'000	£'000
Other significant revenue		
Royalty income	940	-
Grants received	682	-
	<u> </u>	<u> </u>
	2020	2019
	£'000	£'000
Revenue analysed by geographical market		
UK and Channel Islands	40,329	39,335
Rest of Europe	24,255	25,238
Rest of the World	10,582	7,584
	<u> </u>	<u> </u>
	<u>75,166</u>	<u>72,157</u>
4 Operating profit	2020	2019
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(231)	183
Research and development costs	670	718
Government grants	(682)	-
Depreciation of owned property, plant and equipment	2,358	2,486
(Profit)/loss on disposal of property, plant and equipment	(1)	4
Amortisation of intangible assets	269	264
Operating lease charges	106	120
	<u> </u>	<u> </u>
Research and development costs include staff salary costs, which are also included in note 6.		
5 Auditor's remuneration	2020	2019
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	29	28
	<u> </u>	<u> </u>
For other services		
Audit-related assurance services	-	14
Taxation compliance services	3	3
All other non-audit services	2	1
	<u> </u>	<u> </u>
	<u>5</u>	<u>18</u>

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Production	230	240
Marketing, selling and distribution	47	50
Administration	22	23
Total	<u>299</u>	<u>313</u>

Their aggregate remuneration comprised:

	2020	2019
	£'000	£'000
Wages and salaries	11,402	11,481
Social security costs	1,201	1,207
Pension costs	2,209	2,197
	<u>14,812</u>	<u>14,885</u>

7 Investment income

	2020	2019
	£'000	£'000
Interest income		
Interest on bank deposits	7	12
	<u>7</u>	<u>12</u>
Interest on financial assets not measured at fair value through profit or loss	7	12
	<u>7</u>	<u>12</u>

8 Finance costs

	2020	2019
	£'000	£'000
Other finance costs:		
Unwinding of discount on provisions	14	18
Other interest	-	12
	<u>14</u>	<u>30</u>

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	1,648	1,273
Adjustments in respect of prior periods	29	35
	<u>1,677</u>	<u>1,308</u>
Deferred tax		
Origination and reversal of timing differences	103	(18)
Changes in tax rates	(58)	-
	<u>45</u>	<u>(18)</u>
Total tax charge	<u>1,722</u>	<u>1,290</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £'000	2019 £'000
Profit before taxation	9,842	6,750
	<u>9,842</u>	<u>6,750</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,870	1,283
Tax effect of expenses that are not deductible in determining taxable profit	3	-
Adjustments in respect of prior years	29	35
Effect of change in corporation tax rate	(58)	-
Patent box	(161)	-
Other tax adjustments	39	(28)
	<u>1,722</u>	<u>1,290</u>
Taxation charge for the year	<u>1,722</u>	<u>1,290</u>

10 Dividends

	2020 Per share Pence	2019 Per share Pence	2020 Total £'000	2019 Total £'000
Ordinary				
Interim paid	0.80	0.35	8,000	3,500
	<u>0.80</u>	<u>0.35</u>	<u>8,000</u>	<u>3,500</u>

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Intangible fixed assets

	Software £'000
Cost	
At 1 January 2020	1,440
Additions	8
At 31 December 2020	<u>1,448</u>
Amortisation and impairment	
At 1 January 2020	596
Amortisation charged for the year	269
At 31 December 2020	<u>865</u>
Carrying amount	
At 31 December 2020	<u>583</u>
At 31 December 2019	<u>844</u>

12 Property, plant and equipment

	Freehold buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 January 2020	6,494	34,604	2,430	43,528
Additions	-	736	168	904
Disposals	-	(78)	-	(78)
At 31 December 2020	<u>6,494</u>	<u>35,262</u>	<u>2,598</u>	<u>44,354</u>
Depreciation and impairment				
At 1 January 2020	5,942	28,658	1,655	36,255
Depreciation charged in the year	91	2,064	203	2,358
Eliminated in respect of disposals	-	(63)	-	(63)
At 31 December 2020	<u>6,033</u>	<u>30,659</u>	<u>1,858</u>	<u>38,550</u>
Carrying amount				
At 31 December 2020	<u>461</u>	<u>4,603</u>	<u>740</u>	<u>5,804</u>
At 31 December 2019	<u>552</u>	<u>5,946</u>	<u>775</u>	<u>7,273</u>

The following land is not depreciated.

	2020 £'000	2019 £'000
Freehold	<u>154</u>	<u>154</u>

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Inventories	2020 £'000	2019 £'000
Raw materials and consumables	4,685	3,591
Work in progress	1,543	2,043
Finished goods and goods for resale	3,327	4,758
	<u>9,555</u>	<u>10,392</u>
	<u><u>9,555</u></u>	<u><u>10,392</u></u>
14 Trade and other receivables	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade receivables	10,130	7,820
Corporation tax recoverable	34	-
Amounts owed by group undertakings	4,028	3,029
Other receivables	139	281
Prepayments and accrued income	342	219
	<u>14,673</u>	<u>11,349</u>
Deferred tax asset (note 18)	502	548
	<u>15,175</u>	<u>11,897</u>
	<u><u>15,175</u></u>	<u><u>11,897</u></u>
15 Current liabilities	2020 £'000	2019 £'000
Trade payables	2,952	2,008
Amounts owed to group undertakings	4,804	2,637
Corporation tax	-	622
Other taxation and social security	1,273	698
Accruals and deferred income	801	548
	<u>9,830</u>	<u>6,513</u>
	<u><u>9,830</u></u>	<u><u>6,513</u></u>
16 Non-current liabilities	2020 £'000	2019 £'000
Other payables	-	223
	<u>-</u>	<u>223</u>
	<u><u>-</u></u>	<u><u>223</u></u>

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Provisions for liabilities

	2020	2019
	£'000	£'000
Jubilee provision	218	198
Warranty provision	921	1,024
	<u>1,139</u>	<u>1,222</u>
	<u><u>1,139</u></u>	<u><u>1,222</u></u>

Movements on provisions:

	Jubilee provision	Warranty provision	Total
	£'000	£'000	£'000
At 1 January 2020	198	1,024	1,222
Additional provisions in the year	20	16	36
Utilisation of provision	-	(119)	(119)
	<u>218</u>	<u>921</u>	<u>1,139</u>
At 31 December 2020	<u><u>218</u></u>	<u><u>921</u></u>	<u><u>1,139</u></u>

Further information on the above provisions can be found in accounting policy 1.13, and in note 2.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company:

	Assets	Assets
	2020	2019
	£'000	£'000
Balances:		
Accelerated capital allowances	10	-
Other timing differences	492	548
	<u>502</u>	<u>548</u>
	<u><u>502</u></u>	<u><u>548</u></u>
Movements in the year:		2020
		£'000
Asset at 1 January 2020		(548)
Charge to profit or loss		104
Effect of change in tax rate - profit or loss		(58)
		<u>(502)</u>
Asset at 31 December 2020		<u><u>(502)</u></u>

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

19 Retirement benefit schemes

	2020	2019
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,209	2,197
	<u>2,209</u>	<u>2,197</u>

The company operates the RENOLIT Group Personal Pension Scheme. Pension costs charged in respect of the scheme amounted to £1,892,000 (2019 - £1,930,000), with £286,000 (2019 - £336,000) accrued at the balance sheet date. The costs charged in the accounts as detailed above include death in service life assurance payments of £317,000 (2019 - £267,000).

20 Share capital

	2020	2019	2020	2019
	Number	Number	£'000	£'000
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	10,000,000	10,000,000	10,000	10,000
	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000</u>	<u>10,000</u>

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£'000	£'000
Within one year	89	105
Between two and five years	208	272
In over five years	-	15
	<u>297</u>	<u>392</u>

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020	2019
	£'000	£'000
Acquisition of property, plant and equipment	27	216
	<u>27</u>	<u>216</u>

23 Related party transactions

Exemption from disclosing group transactions

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS 102 which permit it to not present details of its transactions with members of the group headed by JM Industriebeteiligungen GmbH & Co. KGaA where relevant group companies are all wholly owned. Details of outstanding balances as at the year end are given in notes 14 and 15.

RENOLIT CRAMLINGTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

24 Ultimate controlling party

The company is a wholly owned subsidiary of RENOLIT (U.K.) Limited. The ultimate parent is JM Industriebeteiligungen GmbH & Co. KGaA, a company incorporated in Germany. JM Industriebeteiligungen GmbH & Co. KGaA is the smallest and largest group into which these accounts are consolidated. Group financial statements can be obtained from the registered office of JM Industriebeteiligungen GmbH & Co. KGaA at Horchheimer Strasse 50, 67547 Worms, Germany.

25 Directors' remuneration

	2020	2019
	£'000	£'000
Remuneration for qualifying services	289	286
Company pension contributions to defined contribution schemes	77	75
	<u>366</u>	<u>361</u>
	<u><u>366</u></u>	<u><u>361</u></u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£'000	£'000
Remuneration for qualifying services	146	149
Company pension contributions to defined contribution schemes	42	41
	<u>188</u>	<u>190</u>
	<u><u>188</u></u>	<u><u>190</u></u>

There are no key management personnel other than the directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.